

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

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CYPRESS HOLDINGS, III, L.P.,	:	
	:	
Plaintiff,	:	
	:	22 Civ. 1243 (LGS)
-against-	:	
	:	
SPORT-BLX, INC., et al.,	:	<u>ORDER</u>
	:	
Defendants.	:	
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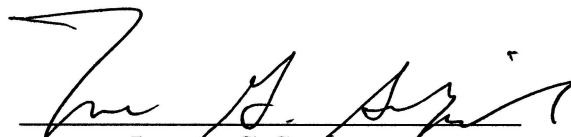
WHEREAS, Defendants have filed a motion to dismiss the derivative claims in the Second Amended Complaint on the ground that Plaintiff does not fairly and adequately represent the interests of shareholders of Sport-BLX, Inc. (“Sport-BLX”) who are similarly situated in enforcing the rights of Sport-BLX (the “Motion”). It is hereby

ORDERED that by **July 15, 2024**, Defendants shall file a letter stating (1) whether the individual Defendants are indemnified against a finding of liability and damages, and if so, by whom and under what circumstances and (2) whether the individual Defendants are covered by Directors and Officers Liability Insurance, and if so, who are the co-insureds who draw from the same fund (i.e., do all individual co-Defendants share a limited amount of coverage), and under what circumstances they are covered as relevant here. It is further

ORDERED that **July 24, 2024**, Plaintiff shall file a letter stating (1) whether any indemnification or insurance coverage identified by Defendants impacts Plaintiff’s adequacy of representation to bring derivative claims on behalf of Sport-BLX and (2) why at least the following purported “direct” causes of Action – Counts Six, Nine, Ten and Fifteen – are not in fact derivative claims under Delaware law. *See Tooley*, 845 A.2d 1031 (Del. 2004) and its progeny including *Brookfield Asset Mgmt., Inc. v. Rosson*, 261 A.3d 1251 (Del. 2021), and *Miller v. Brightstar Asia, Ltd.*, 43 F.4th 112 (2d Cir. 2022). It is further

ORDERED that by **July 30, 2024**, Defendants may reply to Plaintiff's letter.

Dated: July 1, 2024
New York, New York

A handwritten signature in black ink, appearing to read 'Lorna G. Schofield', written over a horizontal line.

LORNA G. SCHOFIELD
UNITED STATES DISTRICT JUDGE